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23 June 2005

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PRESS RELEASE

U.S. GOVERNMENT LAUNCHES MAJOR AGRIBUSINESS INITIATIVE

RAMALLAH, West Bank – The American government Thursday launched an innovative, multimillion dollar project aimed at stimulating the growth of jobs, income and export earnings in the Palestinian agricultural sector.

The Palestinian Agribusiness Partnership Activity (PAPA), a three-year project funded by the U.S. Agency for International Development (USAID), is expected to generate thousands of new jobs.

Funds for the project will come from a \$200 million increase in the annual U.S. package of aid to the West Bank and Gaza. The supplemental assistance funds are aimed at promoting Palestinian economic development and reflect America's commitment to supporting the democratically-elected Palestinian leadership.

USAID has set aside \$15 million for use in the next 18 months to improve agribusiness in Gaza. Substantially more funding could be made available, depending on the initial success of the program.

As a first step, PAPA will match up to 50% of the capital investment needs of Palestinian agribusinesses, which demonstrate the capacity to generate new jobs and increase export revenues. Some \$5.5 million has been designated for this purpose.

These investments, in greenhouses, warehouses, farm machinery and equipment, are designed to benefit the Palestinian economy by creating an additional 2,000 permanent jobs and an estimated \$10 million in new annual export earnings.

The agribusiness partnership program also aims to transfer advanced American, European and Israeli technology to Palestinian farmers involved in commercial horticulture, olive production and poultry and dairy production.

In addition, PAPA will support agricultural reforms to improve the efficiency of Palestinian agribusinesses, thus making them more competitive internationally. And, it will connect



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Palestinian entrepreneurs to the lucrative but demanding fruit and vegetable markets in Europe, the United States and countries in the Middle East.

The improvement of food quality to meet EU and U.S. trade standards will be a major focus of the new program. Upgrading the safety of domestically consumed food products will give Palestinian customers confidence that locally produced foods are a safe and healthy alternative to expensive imported products.

Finally, PAPA will aid the fishing sector, which supports over 40,000 families, to rebound to its pre-2000 levels.

More information on PAPA, which is being implemented for USAID by the CARANA Corporation, is available at www.papausaid.com.

USAID has spent more than \$1.5 billion in the West Bank and Gaza to combat poverty, create jobs, improve education, build roads and water systems, construct and equip medical clinics, and promote good governance.